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Trump's Silver Strategy REVEALED! Why London is Scared. (With Tom Luongo)

CURRENT MARKET DYNAMICS AND TECHNICAL STRESS

The silver market is currently experiencing significant volatility and structural stress. As of late December 2025, silver prices recently fluctuated between a high of 83 dollars and a low of 71 dollars, currently stabilizing around 76 dollars. A critical indicator of market health is the state of backwardation, where the spot price of metal is higher than the futures price. In a normal market, or contango, the futures price should be higher to account for the monthly carry costs of vaulting and insurance, which currently sit at approximately 35 cents per ounce for silver,. The persistent backwardation observed in the sources suggests a severe shortage of physical metal and a market under extreme duress,.

THE MECHANISMS OF PRICE SUPPRESSION

Traditional exchanges often operate suppression schemes to maintain gold and silver as paper assets rather than physical ones. During delivery months, when contracts expire, entities that are short on metal must either deliver physical silver to the long position holders or settle in cash. If these shorts are "naked"—meaning they do not actually possess the metal—they are forced into the market to buy physical silver at current prices to fulfill their obligations,. To avoid this, exchanges frequently "bomb" the price at the end of a month to force long positions to liquidate or settle in dollars rather than demanding physical delivery.

Historically, this system relied on a "triangle trade" between the London Bullion Market Association (LBMA), the COMEX, and silver

ETFs like SLV. This cycle involved rehypothecating the same ounces of silver as collateral to lever up the paper market and suppress the price. However, the sources indicate that this triangle trade is collapsing because participants are no longer willing to accept paper settlement, and the physical supply is becoming increasingly scarce.

A SHIFT FROM THE 2011 MARKET MODEL

The current market environment differs fundamentally from the silver peak in 2011. In 2011, the price spike to 50 dollars was resolved when the COMEX raised margin requirements, essentially forcing over-leveraged retail traders to sell and allowing bullion banks to profit on the subsequent crash,. Unlike that period, the current market is characterized by high lease rates and a genuine shortage of metal available for delivery. The sources suggest that the big players have lost the level of control they maintained in previous decades.

SILVER AS A GEOPOLITICAL AND INDUSTRIAL ASSET

Silver occupies a unique position as both an industrial powerhouse and a burgeoning monetary asset. It is the most reflective and conductive metal, making it irreplaceable in technologies such as solar panels, computer screens, mobile phones, and advanced weaponry,,. Because silver is often mined only as a byproduct of other metals like copper or gold, the number of primary silver producers is remarkably small.

The sources highlight a massive geopolitical shift led by the United States under the Trump administration. By implementing tariffs and prioritizing the defense of the dollar with hard collateral like Bitcoin and gold, the U.S. is challenging the traditional international financial structure. This new "American System" emphasizes building local refining capabilities and infrastructure through trade deals, as seen in Australia, rather than relying on extractive colonial models,.

CHALLENGING THE LONDON PRICING MONOPOLY

For centuries, the City of London has maintained pricing leverage over global industrial inputs like oil, gold, and silver. The sources argue that this system serves as a colonial extraction mechanism where middlemen, such as London-based traders and banks, capture the majority of the profit while miners receive poor market prices,. To break this control, major powers—the United States, Russia, and China—are increasingly aligned against the European and British financial nodes,.

One method of undermining London's dominance involves bypassing its refineries. China has spent years purchasing silver concentrate and unrefined "doré" bars directly from miners in regions like South America and Africa. By refining this metal domestically, China pulls physical supply away from the LBMA, depriving Western banks of the metal they need to back their paper contracts,.

STRATEGIC INTERVENTIONS IN VENEZUELA

The geopolitical struggle for silver is playing out through high-stakes interventions, particularly regarding Venezuela. Venezuela serves as a significant hub for gold and silver flows in the Western Hemisphere. The sources suggest that silver concentrate, which is far more valuable than crude oil by volume, is likely being transported in the holds of oil tankers headed for China.

The U.S. government’s seizure of these tankers represents a hardline stance on strategic metals. By intercepting these shipments, the U.S. is effectively signaling that it will no longer allow foreign powers to extract strategic resources from its hemisphere to fund interests that undermine the American middle class,. This serves a dual purpose: it secures necessary materials for domestic industry and cuts off the flow of "untraceable" money that has historically funded foreign intelligence operations and regional conflicts,.

THE REVOLUTION IN MINING AND FINANCE

The financial structure of the mining industry is also undergoing a fundamental transformation. Historically, miners were often trapped in predatory, non-recourse loan cycles with Canadian or London-based banks,. These banks would often take short positions against the very metals the miners were producing, ensuring the banks profited regardless of the mine's success.

In response, many producers are moving toward royalty and streaming models, partnering with companies like Franco-Nevada or Wheaton Precious Metals,. These partners provide capital in exchange for a percentage of future production, aligning their interests with the miner’s success. Furthermore, many silver producers are now refusing to hedge their future production on the futures markets. Instead of selling all their metal at suppressed prices to meet Wall Street expectations, they are banking their inventory and withholding supply from the market until prices reflect the true physical value,.

CONCLUSION

The global financial order is entering a new phase where hard assets like silver, gold, and Bitcoin are being positioned to balance sovereign debts. Nations like India are already exploring the remonetization of silver, potentially using it as collateral for mortgages,. As the United States reasserts its sovereignty and challenges the vestiges of 19th-century colonial financial systems, silver is emerging as a primary tool for structural repricing,,.

To understand these shifts, one might consider the difference between a mirror made of cardboard and one made of silver. While a paper-based financial system provides a dull and distorted reflection of economic reality, a system backed by physical, industrial, and monetary silver provides the clarity and conductivity necessary for a functioning modern economy,,.